

In response to market realities and current technological limitations, carriers routinely must suspend roamer services for a limited period of time between city pairs to protect customers against fraud.⁵⁰ Under the current standard, the necessary suspensions are accomplished efficiently, and consumers are thereby protected, without the need for regulatory intervention.

Moreover, in a few instances, home carriers have withheld roaming agreements to protect their customers against roamer traps, i.e., CMRS operators who unreasonably overcharge. Without the ability to refrain from negotiating roaming agreements with providers that impose excessive charges, both the home carrier and the customer are at risk. In sum, the record demonstrates that regulatory intervention with respect to roaming agreements is simply unnecessary.

III. THE COMMISSION SHOULD EXTEND CELLULAR RESALE OBLIGATIONS TO ALL CMRS PROVIDERS.

- A. As a matter of regulatory parity, and consistent with competitive concerns, all CMRS providers should be subject to resale obligations.**

CTIA concurs with the Commission's tentative conclusion that the cellular resale obligations should be extended to all CMRS providers.⁵¹ Regulatory parity concerns dictate such a result. Moreover, there are simply no technical issues precluding those

⁵⁰ See, e.g., Mobile Satellite Reports, December 5, 1994 ("Cellular One affiliate in Washington-Baltimore has temporarily suspended roaming service in N.Y. and Northern N.J. to battle 'extremely high amount of fraud' detected.")

⁵¹ Second Notice at ¶ 83.

SMR operators who elect to provide interconnected services⁵² from fulfilling resale obligations. The existing resale obligation⁵³ is flexible enough to permit the Commission to avoid technology-based distinctions.

Section 332, the recently-revised provision governing the regulatory treatment of all CMRS providers, clearly expresses Congress' intention to introduce "regulatory parity" among the mobile services. Congress amended Section 332(c) in 1993 to ensure that "services that provide equivalent mobile services are regulated in the same manner."⁵⁴ Therefore, it established "uniform rules" governing all CMRS offerings and directed "the Commission to review its rules and regulations to achieve regulatory parity among services that are substantially similar."⁵⁵

⁵² Commercial mobile radio services are defined as "any mobile service . . . that is provided for profit and makes interconnected service available (A) to the public or (B) to such classes of eligible users to be effectively available to a substantial portion of the public." 47 U.S.C. § 332(d)(1). As the Commission noted in the CMRS Second Report, while most SMR licensees provide: (1) for-profit service, (2) to the public, "classification of all SMR systems turns on whether they do, in fact, provide interconnected service". See CMRS Second Report, 9 FCC Rcd at 1450-1451.

⁵³ Under current rules, each "cellular system licensee must permit unrestricted resale of its service, except that a licensee may apply resale restrictions to licensees of cellular systems on the other channel block in its market after the five year build-out period for licensees on the other channel block has expired." 47 C.F.R. § 22.901(e).

⁵⁴ H.R. Rep. No. 103-111, 103d Cong., 1st Sess. 259 (1993).

⁵⁵ Id.

Consistent with Congressional mandate, the Commission, in its continued adherence to Section 332, must ensure that similar services are treated alike.⁵⁶ Imposing equivalent resale obligations on all CMRS providers patterned upon the cellular model is a critical step in fulfilling this objective.

In response to the Commission's request for comment on whether only "broadband" CMRS services should be included within the definition of a facilities-based competitor for resale purposes,⁵⁷ CTIA submits that as a matter of regulatory parity, there should be no distinction between broadband and narrowband services. As explained supra, the definition of a "relevant market" is based, in part, upon an assessment of demand elasticity or functional equivalence. It follows that if the consumer perceives the services provided by broadband and narrowband providers as reasonable substitutes, then they are functional equivalents, and, as such must be subject to similar regulation. By way of example, Nextel MIRS technology and Motorola's paging message capabilities transcend "broadband" and "narrowband" distinctions.

⁵⁶ The Commission recognizes as well the functional equivalence of all CMRS services. CMRS Third Report, 9 FCC Rcd at 7996 ("all CMRS -- including one-way messaging and data, and two-way voice, messaging, and data -- are competing services or have the reasonable potential to become competitive services in the CMRS marketplace. . . . Actual competition among certain CMRS services exists already, and, more importantly, the potential for competition among all CMRS services appears likely to increase over time due to expanding consumer demand and technological innovation.")

⁵⁷ Second Notice at ¶ 93.

B. A CMRS provider's resale obligation with facilities-based carriers should sunset at the end of five years.

In response to the Commission's request for comment on whether and when resale obligations should sunset with respect to facilities-based carriers,⁵⁸ CTIA favors a five year period. A five year threshold has worked well in the cellular case and reinforces PCS carriers' incentives to build out their systems.⁵⁹ Moreover, while the resale obligation to facilities-based competitors should sunset after five years, the Commission should permit the parties to continue the obligation contractually since, in certain instances, facilities-based resale will be economically efficient.

C. Number portability issues should be resolved as part of a general rulemaking proceeding.

In response to the Commission's request for comment on the necessity of revising number portability rules to encourage resale,⁶⁰ CTIA submits that this issue is more properly addressed as part of a general proceeding on number portability. As a practical matter, the resolution of number portability issues

⁵⁸ Second Notice at ¶¶ 90-92.

⁵⁹ See 24 C.F.R. § 24.203 (at the end of five years, a 30 MHz license must serve 33% of the population within its service area; a 10 MHz license must serve 25% of the population within its service area). By the end of five years, the PCS provider will be serving a sufficient portion of the public so that it should be capable of offering its own services in place of resale.

⁶⁰ Second Notice at ¶ 94. CTIA notes that Commission action to encourage resale per se should not be the goal of this proceeding. Rather, competition is the proper focus. CTIA addresses number portability in that broader context.

will require the development of both landline and wireless systems' capabilities, i.e., LEC originated calls must be routed to the CMRS switch, thus requiring LEC development of routing capabilities.

In landline networks, number portability is crucial because it represents a major impediment to customers changing carriers. In the wireless context, number portability is not as important a factor. Simply put, people use wireless phones differently than they use wireline phones. Wireless subscribers make many more phone calls than they receive. Approximately eighty percent of broadband wireless traffic is originating in nature. Moreover, wireless phone numbers are unpublished, and are only disclosed by the customer to those persons whom they wish to contact them. In addition, compatible CPE (i.e., dual-mode (cellular-PCS, analog-digital) phones operating on the same interface), among other factors, is also necessary before customers can freely move from one system to another. At this stage in the development of the wireless services market, it is unclear the extent of demand for such dual-mode equipment. For these reasons, it is impossible to predict whether the resolution of number portability issues alone will facilitate resale or enhance competition.⁶¹

⁶¹ Moreover, the state of number portability technology today precludes roaming service. Since local number portability and nationwide roaming are incompatible, were the Commission to mandate number portability, it would have to amend its Part 22 rules governing roaming.

IV. THE COMMISSION SHOULD REJECT PROPOSALS TO IMPOSE A RESELLER SWITCH INTERCONNECTION REQUIREMENT UPON CMRS PROVIDERS.

CTIA concurs with the Commission's tentative conclusion to refrain from imposing a reseller switch proposal on CMRS providers at this time.⁶² As the Commission correctly notes, given the competitive nature of the CMRS market, "a regulatory mandate to allow switch-based resale may be unnecessary" as well as imposing "costs on the Commission, the industry, and consumers."⁶³ In fact, in a market as technologically dynamic as wireless, separate pricing for each service and piece of the network promises to delay or even halt the rapid rollout of mobile services and new technologies. Accordingly, the Commission should reject proposals to mandate further unbundling of the cellular network.

A. A reseller switch requirement is unwarranted as CMRS providers lack the prerequisite market power.

As the Commission notes, this type of interconnection is simply inconsistent with the mobile services industry's competitive market structure. Such burdensome regulatory measures have never been, nor should they be, applied to mobile services. In fact, adoption of a reseller switch proposal would be directly contrary to the Commission's forward-looking regulatory approach taken with respect to CMRS, i.e., the establishment of an untariffed, competitive market structure.

⁶² Second Notice at ¶¶ 95-96.

⁶³ Id. at ¶ 96.

As an initial matter, requiring any firm to grant access or unbundle its network facilities to an actual or potential competitor requires it to share its facilities with the competitor. As a legal proposition, not even a monopolist has such a general duty to share.⁶⁴ Mandating access thus remains the exceptional case, to be imposed only when absolutely necessary to achieve workable competition in a market, i.e., when a monopoly provider controls access to essential facilities.⁶⁵

The courts have recognized that to invoke the essential facilities doctrine the following four elements must be satisfied:

- (1) control of an essential facility by a monopolist;
- (2) a competitor's inability practically or reasonably to duplicate the essential facility;
- (3) the denial of the use of the facility to a competitor; and
- (4) the feasibility of providing the facility.⁶⁶

⁶⁴ Aspen Skiing Co. v. Aspen Highlands Skiing Corp., 472 U.S. 585 (1985).

⁶⁵ In the cellular context, the FCC has recognized the numerous benefits resulting from permitting cellular operators to bundle CPE and cellular services. In making its decision to permit bundling, the FCC noted that the relevant markets, CPE and cellular services, were workably competitive. See Bundling of Cellular Customer Premises Equipment and Cellular Service, 7 FCC Rcd 4028, 4029-4031 (1992) ("CPE Bundling Order").

⁶⁶ MCI Communications v. AT&T, 708 F.2d 1081, 1132-33 (7th Cir. (1983), cert. denied, 464 U.S. 891 (1983). See also Second Computer Inquiry, 77 FCC 2d 384, 442-445 (1980) (bundling prohibition is appropriate in specific context of rate-base-regulated monopoly; consumers cannot be harmed by bundling competitively-supplied services and products).

CMRS providers, of course, do not meet the first requirement of the essential facilities doctrine -- control by a monopolist. In the CMRS context, no matter how the relevant market is defined -- whether broadly to include wireline and wireless service or more narrowly to include only mobile services -- no CMRS firm controls an essential facility.

The issue of required "unbundling," which is in essence what the resale switch proposal would effect, may also be analyzed under the closely related antitrust jurisprudence on tie-in sales. For example, in the cellular network context, an argument might be made that a competitor desiring access to a portion of the network, such as a particular cellular transmitter, should not be required to purchase the other segments of the network it deems unnecessary or is able to provide itself. While tie-ins have traditionally been held to be violations per se, there are two important provisos to this rule. The first is the requirement that two separate products be involved. Assuming the technical ability to offer parts of a cellular network piecemeal, this does not establish that separate products for tying purposes are involved.

According to case law, the issue is whether there is a separate demand for the tied product such that the products have traditionally been offered as separate items.⁶⁷ Indeed, courts have opined that if significant economies result from offering

⁶⁷ See Jefferson Parish Hospital v. Hyde, 466 U.S. 2, 19 (1984).

two products together, they should be treated as one for tying purposes.⁶⁸ Piecemeal access by a potential competitor to portions of the network should therefore not be required unless demonstrable separate demand for the "tied" product arises.

The second requirement for an illegal tie is market power in the tying product. Here again, CMRS providers lack market power. While a court is more likely to deem a portion of an integrated network a separate product when there is market power inherent in that portion, where market power is absent the court is less likely to sever the network at some arbitrary point and hold that the two severed portions have been illegally tied. In the case of the cellular network, for example, no portion appears to enjoy substantial market power, since there are a significant number of other competitors each possessing an equivalent facility. Where any single firm has a market share of 30% or less, the Supreme Court has held that no market power for tie-in purposes is present.⁶⁹ When the CMRS marketplace (including PCS, cellular and ESMR) is considered, no firm will possess more than 30% of the market.⁷⁰ Thus, it would not only be useless to sever a CMRS

⁶⁸ See, e.g., Jack Walters & Sons Corp. v. Morton Bldg., Inc., 737 F.2d 698 (7th Cir. 1984) cert. denied, 469 U.S. 1018 (majority opinion by Judge R. Posner).

⁶⁹ Jefferson Parish, supra.

⁷⁰ Recently, there have been dramatic changes with respect to the supply side of the CMRS market due to the allocation of 120 MHz of spectrum to broadband PCS, and technical advancements in the SMR industry, thus reducing concerns over market concentration. Under the DOJ Guidelines, the following market participants would be considered presently within the CMRS

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network at some arbitrary point, it would be contrary to the established case law on tie-ins requiring the existence of market power in at least some portion of the network.⁷¹

B. The costs associated with a CMRS resale switch proposal far outweigh the tangible benefits, if any.

The costs that would be borne by both CMRS providers and consumers,⁷² as a result of requiring CMRS firms to unbundle their network (in order to implement the reseller switch proposal) are only justified when the concomitant benefits are

⁷⁰(...continued)
market: two 25 MHz cellular operators, three 30 MHz PCS providers, three 10 MHz PCS providers and one 10+ MHz ESMR provider. See DOJ Guidelines at § 3 (Entry Analysis) (entry within two years or less).

⁷¹ The Supreme Court's recent decision in Eastman Kodak v. Image Technical Services, 364 U.S. 451 (1992) appears consistent with the market power requirement for tie-ins. While the Court held that a tie-in of aftermarket services for copying machines could be illegal even though Kodak did not possess market power in copiers, it was careful to point out that Kodak could possess market power in the after-sale service market. Thus, it did not eliminate the requirement of power in some market. The Court found that because of market imperfections, including consumers' lack of complete market information, it was possible for Kodak to possess market power in the aftermarket and that consumers could be "locked-in" to buying aftermarket service from Kodak rather than competitors.

In the cellular market, for example, there are no apparent market imperfections that would lock a customer into dealing with a particular firm, thereby foreclosing competitors from access to those customers. Switching among cellular competitors is accomplished with relative ease. This being so, even under the Kodak rationale, there is no cause for concern and no need to "unbundle" the various segments of the cellular network to facilitate switching in response to competitive pressures.

⁷² Of course, switch-based resellers would likely be required to pay for the costs associated with unbundling the CMRS networks, just as the IXCs paid for the costs of reconfiguring the LEC networks to provide equal access.

overriding, i.e., unbundling will serve to dissipate the monopolistic output restrictions created by dominant firms. When there are no overriding benefits created by unbundling, i.e., no firm is dominant because workable competition exists in the marketplace, mandatory network unbundling is ill-advised and anticompetitive. In the case of CMRS providers, the costs simply outweigh the benefits.

As an initial matter, requiring a firm to unbundle its network and services is a complex and costly proposition. Each component of the network must be broken out and priced separately. For example, with cellular services, network components such as radio cell sites, backbone transport services (consisting of both microwave and fiber paths) and switching capabilities would need to be unbundled and separately priced. Additional nodes may need to be built to permit firms to interconnect to each separate component of the network. Moreover, port space would also have to be provided in all MTSOs where resellers desired direct connection.

A firm required to unbundle its network may incur substantial construction, hardware, software and maintenance costs. Of course, if these costs can be properly recovered through economically sound pricing mechanisms, then firms and ultimately consumers may not be harmed. But the problem lies in establishing a compensatory price, not only for the additional construction, but also to recover the pro-rata cost of the underlying network, including compensation for risk. Therein

arise the administrative burdens, disincentives to innovate, "free rider" problems and strategic behavior concerns.

The administrative burdens created by requiring non-dominant firms to unbundle their networks are enormous, and with no evident corresponding benefits to the consumer. Regulatory complexities would surely arise over how to define each separable network component and to establish its proper price. Thus, for example, not only would there be significant costs associated with physical access to a cellular facility, there would also be administrative difficulty in establishing the terms of access. If left to negotiations between the parties, arguments that the owner of the facility has an incentive to demand terms that disadvantage the potential competitor are foreseeable. If these costs are justified, some form of cost-based access price would have to be imposed by an independent third party. The difficulty in arriving at a reasonable price has led experts to suggest that access should only be required where a regulatory agency is in place and is ready, willing and able to undertake the burden of regulating access terms.⁷³

For the Wireless Bureau to attempt such unbundling of the wireless network, it would require a devotion of resources in terms of personnel and time parallel to Commission efforts to regulate cable rates. It is by no means clear that the Commission has the resources or inclination to determine the

⁷³ Phillip Areeda, Essential Facilities: An Epithet in Need of Limiting Principles, 58 Antitrust L.J. 841, 853 (1990).

rates and other terms for the many hundreds of cases that would arise with respect to cellular services alone. And cellular operations would be only one of many CMRS firms subject to an over-arching unbundling requirement.

In addition to increasing administrative burdens, problems incurred in defining and valuing the underlying segments of the network have the distinct potential to create anticompetitive disincentives to innovation and "free rider" problems. Under antitrust law, mandated unbundling is disfavored because the general duty to share one's facilities may have a chilling effect on a firm's willingness to invest in such facilities in the first place.⁷⁴ If a firm knows that a competitor will be able to "free ride" on its risk taking, i.e., the "free rider" will be entitled to access to the firm's network without paying for its actual cost, the firm will be disinclined to initially take the risk.⁷⁵

To illustrate, if a firm were required to build additional interconnection nodes to permit its competitors access, but was unable to adequately recover its costs for construction and maintenance, the "free rider" would receive a "short-term" price benefit but the overall quality of the network would be jeopardized.⁷⁶ Moreover, if a segment of the network (e.g.,

⁷⁴ Id. at 851.

⁷⁵ The Department of Justice has recognized this disincentive on other occasions. See supra note 15.

⁷⁶ Moreover, even if a firm was not required to significantly rearrange its physical network to comply with the unbundling mandate, the threat of inadequately pricing access would still remain.

cellular cell sites) were mistakenly priced below cost, the "free rider" would have the perverse incentive to piggyback on its competitor's facilities versus building its own. In a competitive environment, discouraging competitors from building their own facilities and competing on a joint basis would threaten the overall dynamism and rapid growth that characterizes the CMRS industry. There is also an unspoken, but real, belief that to permit the "free-rider" to profit from its competitors' innovations would be unfair. Thus, an improperly-imposed unbundling requirement has the real possibility of encouraging anticompetitive and unfair behavior.

Finally, imposition of unbundling requirements on firms exposes them to strategic behavior by their competitors. For example, if a smaller, non-dominant firm is required to interconnect as technically feasible and economically reasonable, a larger competitor can abuse the process by making exorbitant interconnection demands,⁷⁷ thereby raising the non-dominant firm's costs.⁷⁸

⁷⁷ Such an exorbitant request could be manifested in the cellular arena with a request for direct interconnection to the cellular operator's switch. Cellular operators are already interconnected to the network through the local exchange carrier. Thus, any further interconnection requirements should be a matter of negotiation between relevant companies versus governmental fiat.

⁷⁸ For a general exposition of cost-raising strategic behavior, see Krattenmaker and Salop, Anticompetitive Exclusion: Raising Rivals' Costs to Achieve Power Over Price, 96 Yale L.J. 209 (1986).

While technically separate from the costs issues, it is questionable whether such a proposal works even in regulated industries such as the local exchange which has a substantial history of extensive rate and account regulation.⁷⁹ For example, controversy exists over the efficacy of Open Network Architecture ("ONA") and expanded interconnection as implemented within the local exchange industry.⁸⁰ No doubt, such initiatives are extremely time-consuming, resource intensive and subject to market abuse. Thus, it would be folly for the Commission to impose a rigorous regulatory regime which has demonstrated perhaps marginal success in the pervasively regulated local exchange market on the CMRS industry that does not meet the statutory prerequisites necessary for government intervention. But this is precisely what some are proposing.⁸¹

⁷⁹ See, e.g., 47 C.F.R. Part 32 (Uniform System of Accounts); Part 36 (Jurisdictional Separations Issues); Part 61 (Tariffs); Part 69 (Access Charges).

⁸⁰ See, e.g., Chris L. Kelley, The Contestability of the Local Network: The FCC's Open Network Architecture Policy, 45 Fed. Com. L.J. 89 (1992); Robert M. Frieden, The Third Computer Inquiry: A Deregulatory Dilemma, 38 Fed. Com. L.J. 383 (1987); James M. Fischer and Albert Halprin, Echoes From the Past: A Call For a Comprehensive Resolution of Local Access Issues, at 1-2 (November 1991) (cautions the Commission that in dealing with expanded interconnection issues, "if the Commission makes the wrong decisions, inappropriate signals could create hundreds of millions of dollars of wasted and inefficient investment. Moreover, countless hours of Commission and industry personnel creating and then having to fix a marketplace inhabited by artificially supported 'competitors' would be spent unnecessarily").

⁸¹ See California Public Utilities Commission ("CPUC") News Release, "CPUC Will Not Appeal FCC Ruling On Cellular Rate Authority" (released June 8, 1995) (In addition to requiring a
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One final note. It is important to note that while resale is useful to correct market imperfections such as price discrimination, it simply does not enhance the overall competitive market structure.⁸² Because resellers are not spectrum-based competitors, i.e., they cannot add to capacity or output nor can they innovate, the uneconomic costs necessary to impose a reseller switch proposal overshadow any competitive benefits. Thus, the proliferation of facilities-based CMRS competitors, e.g., cellular, PCS and SMR, is a far superior means to achieve the benefits of competition versus a regulatory unbundling scheme.

C. A reseller switch proposal fails as well as a technical proposition.

In addition to economic and efficiency concerns, as a practical matter, the reseller switch concept fails to account for major differences between wireline and wireless telecommunications networks. That is, in a LEC network, there is

⁸¹(...continued)
cellular carrier "to test the technical viability of the reseller switch," the CPUC is requiring that "[i]mmediately after the technical viability of the reseller switch is demonstrated. . . all cellular carriers with requests from resellers [must] file specific rates with the FCC for the separate elements that make up the cellular delivery system.") As CTIA notes infra, the Commission must preempt such state requirements.

⁸² See Comments of the Staff of the Bureau of Economics, Federal Trade Commission in CC Docket 91-34, Bundling of Cellular Customer Premises Equipment and Cellular Service, at 12-16 (July 31, 1991) (cellular "resellers are not likely to improve [cellular] industry performance at either the wholesale or retail level"); CPE Bundling Order, 7 FCC Rcd at 4029 ("while resellers may help deter price discrimination, it does not appear that they compete effectively with the two facilities-based carriers in each market").

no continuing interaction on the line side of the central office switch while in a cellular network, there is constant interaction due to the need to constantly monitor the call, to adjust power levels and to handoff calls to adjacent cells. To this extent, PCS networks will also present the same obstacles. In effect, there is no useful technical analogy linking LEC and wireless networks.

The technical feasibility of such a proposal is questionable as well. As of now, there is no cellular network equipment to support unbundling of line side cellular service network components. Thus, a proposal to separate network functions would require new cell site and switching hardware, as well as software, a substantial capital investment, even assuming such equipment exists. While it is currently possible to make each cell site intelligent enough to stand alone (that is, to make each cell site a separate MTSO with one cell and connections to all border cells), such an arrangement is extremely cost prohibitive. Moreover, with unbundling, cellular licensees are impaired from accurately assessing capacity requirements for any given cell or for the network, a result which raises efficiency and long-term planning concerns.

With cellular services, interconnection of a cellular switch to existing cellular switches does not relieve cellular carriers from the need to provide switching functions to switched-based

resellers.⁸³ In essence, the reseller is merely duplicating functions instead of substituting for them. Such a proposal is hardly an efficient allocation of resources.

Moreover, CMRS networks, including cellular, are evolving rapidly, thus necessitating the switch-based reseller to follow suit.⁸⁴ The investment in network equipment to provide switch-based resale would be costly and would provide incentives to use the regulatory process to delay innovation.⁸⁵ In sum, a reseller switch proposal fails on all counts: policy, efficiency and practicality.

D. The Commission should preempt state-imposed reseller switch requirements.

Finally, as it should for CMRS direct interconnection obligations, the Commission should preempt inconsistent state and

⁸³ As an example, a call originating from a reseller's customer would be transmitted under current technology by the serving cell site to the system MTSO. The MTSO, in turn, would verify the customer's authorization to use the cellular system, would route the call to the LEC or the IXC, and would establish the billing record. A reseller switch would not remove any of these functions.

⁸⁴ See Initial Comments of GTE Mobilnet of California Limited Partnerships et al., filed before the Public Utilities Commission of the State of California in the PUC's Investigation on the Commission's Own Motion into Mobile Telephone Service and Wireless Communications, No. I.93-12-007, at 19-21 (Feb. 25, 1994); Comments of the Cellular Carriers Association of California, in the CA PUC's Investigation on the Commission's Own Motion into Mobile Telephone Service and Wireless Communications, No. I.93-12-007, at 65-71 (Feb. 25, 1994).

⁸⁵ See Robert H. Bork, The Antitrust Paradox: A Policy at War With Itself, 347 (1978) ("Predation by abuse of governmental procedures, including administrative and judicial processes, presents an increasingly dangerous threat to competition").

local regulations regarding resale switch proposals.⁸⁶ The same inseparability justification applies with respect to resale switch proposals, i.e., because the physical network used to provide CMRS cannot be severed into separate interstate and intrastate components, a state reseller switch requirement must yield to the national policy objectives. In essence, the Commission must choose between dynamic, facilities-based CMRS competition by licensees coupled with the rapid introduction of new technologies and services -- or years of regulatory disputes, with associated delays, on appropriate unbundled rate elements. Resale switch requirements, whether arising from either federal or state mandate, are simply not justified in the competitive, burgeoning CMRS market.

⁸⁶ See supra Section I.E.

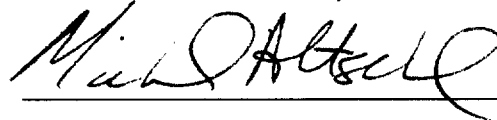
CONCLUSION

For these reasons, CTIA respectfully requests that the Commission continue its efforts to rely upon market forces to shape the development of the CMRS marketplace. Therefore, the Commission should: (1) refrain from imposing a general interstate interconnection obligation upon CMRS providers; (2) refrain from further regulating roaming services; (3) extend the current cellular resale obligation to all CMRS providers; and (4) reject proposals to impose a reseller switch interconnection requirement upon CMRS providers.

Respectfully submitted,

**CELLULAR TELECOMMUNICATIONS
INDUSTRY ASSOCIATION**

Michael F. Altschul
Vice President, General Counsel



Randall S. Coleman
Vice President for
Regulatory Policy and Law

Andrea D. Williams
Staff Attorney

1250 Connecticut Avenue, N.W. Suite 200
Washington, D.C. 20036
(202) 785-0081

Philip L. Verveer
Jennifer A. Donaldson
WILLKIE FARR & GALLAGHER
1155 21st Street, N.W. Suite 600
Three Lafayette Centre
Washington, D.C. 20036-3384

Its Attorneys

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